

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA,	:	10-CR-00771 (NG)
	:	
	:	
-against-	:	United States Courthouse
	:	Brooklyn, New York
	:	
	:	
IRINA SHELIKOVA,	:	Tuesday, November 12, 2013
	:	2:30 p.m.
	:	
Defendant.	:	
	:	

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TRANSCRIPT OF CRIMINAL CAUSE FOR SENTENCING  
BEFORE THE HONORABLE NINA GERSHON  
UNITED STATES SENIOR DISTRICT JUDGE

A P P E A R A N C E S:

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Proceedings recorded by mechanical stenography, transcript  
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Proceedings

2

1 (In open court.)

2 (Judge NINA GERSHON enters the courtroom.)

3 THE COURTROOM DEPUTY: All rise.

4 United States District Court for the Eastern  
5 District of New York is now in session. The Honorable Nina  
6 Gershon is now presiding.

7 THE COURT: Good afternoon.

8 MR. ROSEN: Good afternoon, Your Honor.

9 (Defendant enters the courtroom.)

10 THE COURTROOM DEPUTY: Criminal cause for  
11 sentencing, United States versus Irina Shelikhova.

12 May I have the appearances for the Government,  
13 please.

14 MS. HALL: Good afternoon, Your Honor. Sarah Hall  
15 and William Gullotta of the United States.

16 THE COURT: I'm sorry, Sarah Hall and who?

17 MS. HALL: And William Gullotta for the  
18 United States.

19 MR. GULLOTTA: Good afternoon, Your Honor.

20 THE COURTROOM DEPUTY: From Probation.

21 USPO DONAT: Amanda Donat, Probation.

22 THE COURTROOM DEPUTY: For the defendant.

23 MR. ROSEN: Michael Rosen for Mrs. Shelikhova, good  
24 afternoon.

25 THE COURTROOM DEPUTY: And the interpreter, can I

Proceedings

3

1 have your appearance, please.

2 THE RUSSIAN INTERPRETER: Yana Agoureev, Russian  
3 interpreter.

4 (Official interpreter sworn.)

5 THE COURTROOM DEPUTY: Thank you.

6 Everyone please be seated.

7 THE COURT: Did everyone receive the  
8 Probation Department's recommendation?

9 MR. ROSEN: Yes, Your Honor.

10 MS. HALL: Yes, Your Honor.

11 THE COURT: Ms. Shelikhova, did you read the  
12 Pre-Sentence Report and the addendum to the Pre-Sentence  
13 Report?

14 THE DEFENDANT: (In English) Yes.

15 THE COURT: Was it translated for you into Russian?

16 THE DEFENDANT: Yes, it was.

17 THE COURT: Orally? Or in writing?

18 THE DEFENDANT: Orally.

19 THE COURT: Okay. By whom?

20 THE DEFENDANT: The lawyer came for a visit with an  
21 interpreter and it was translated to me during that time.

22 THE COURT: Is that right, Mr. Rosen?

23 MR. ROSEN: Yes, Your Honor. The interpreter was  
24 Isabella -- are you in court -- Isabella is the interpreter.

25 THE COURT: The interpreter who's frequently here,

Proceedings

4

1 has been in this case?

2 MR. ROSEN: Exactly, and who has been at the MCC  
3 with me many times with Mrs. Shelikhova.

4 THE COURT: Okay. All right. Victor, you have her,  
5 you know her last name?

6 THE COURTROOM DEPUTY: Isabella is also here in the  
7 audience.

8 THE COURT: She is here?

9 All right. Thank you. May we have your last name  
10 for the record, please?

11 THE RUSSIAN INTERPRETER: Yes, Avrutim --  
12 A-V-R-U-T-I-M.

13 THE COURT: Thank you.

14 Then let me put on the record the other documents,  
15 in addition to the Pre-Sentence Report and the addendum to the  
16 Pre-Sentence Report, which I have reviewed.

17 I have the Government's letter of September 6th,  
18 2013.

19 Mr. Rosen's letter of September 5th.

20 Mr. Rosen's letter of November 4th.

21 On September 9th, I also received via Michael  
22 Shapiro, counsel for the defendant, Maksim Shelikhova, a  
23 letter on behalf of his mother, the defendant here today.

24 Actually, it says it was cc'd to Ms. Hall, but  
25 Mr. Rosen, I don't know whether you received it.

Proceedings

5

1 MR. ROSEN: I did, Your Honor.

2 THE COURT: All right.

3 All right. Were there any other documents that  
4 should be in my file?

5 MR. ROSEN: None that I've submitted, Judge.

6 MS. HALL: No, Your Honor.

7 THE COURT: Okay.

8 And the preliminary order of forfeiture was already  
9 signed; is that correct?

10 MR. GULLOTTA: Was it signed? I know it was  
11 submitted on September 5th.

12 THE COURTROOM DEPUTY: It has been filed, Judge.  
13 Your order has been signed and filed.

14 THE COURT: I haven't signed it yet, are you sure?

15 THE COURTROOM DEPUTY: You have signed it.

16 THE COURT: I have signed it?

17 THE COURTROOM DEPUTY: I'll double-check.

18 THE COURT: I have an unsigned copy in my file.

19 This would have been the preliminary order of forfeiture.

20 Counsel, did you receive the signed copy and was it  
21 on ECF?

22 MR. GULLOTTA: I don't recall seeing it.

23 MR. ROSEN: No, Your Honor.

24 THE COURT: You don't think so? Okay.

25 THE COURTROOM DEPUTY: No, Judge.

## Proceedings

6

1 THE COURT: All right. Then I've signed it as of  
2 today. And that was an order of forfeiture in the agreed-upon  
3 amount of \$38,241,545.

4 I should say that the letter from Mr. Rosen also  
5 includes a letter from the defendant herself, as well as other  
6 individuals who wrote in support of the defendant.

7 Let's take up now the objections that the defense  
8 has made to the calculations by the Probation Department.

9 Some of the objections seem to relate to issues that  
10 really would be immaterial to the sentencing and unless the  
11 defense wishes me to pursue them, I won't refer to them. The  
12 one that might affect the sentencing relates to the loss.

13 MR. ROSEN: Yes, Your Honor.

14 THE COURT: Did you have anything further that  
15 anybody wanted to say on loss?

16 MR. ROSEN: On loss, Your Honor, I'm aware of  
17 Your Honor's finding in the prior sentences in this case. I  
18 think Your Honor found that the intended loss was \$77 million.

19 THE COURT: Right. And the actual loss was over 50  
20 million.

21 MR. ROSEN: What I just wish to address on the, I  
22 guess, the actual loss, you know, I begin with the complaint  
23 which is document number one, ECF Document 1, where it says in  
24 the complaint that the clinics received 46,887,000 and I then  
25 just call Your Honor's attention to document 663, which is the

Proceedings

7

1 Government's letter that you referred to earlier. I think  
2 it's the September 6th letter, where they assert that  
3 Mrs. Shelikhova profited \$38,241,000.

4 THE COURT: Well, she agreed to that forfeiture  
5 amount, has she not?

6 MR. ROSEN: Yes, I'm not quibbling with that.

7 THE COURT: All right.

8 MR. ROSEN: I'm trying get to the point that in the  
9 cooperating witness's plea, which is Document 391, pages 21 to  
10 22, through counsel, the witness himself -- the cooperating  
11 witness himself, Mr. Shelikhova, Maksim Shelikhova, questions  
12 the loss being in excess of 50 million. That's where I just  
13 pick up the differences.

14 I understand Your Honor's rulings and I don't intend  
15 and I don't have proof to counter the 50 million mark. I just  
16 call to Your Honor's attention the differences throughout this  
17 litigation on who says what loss, but as I understand it,  
18 Judge Gershon, it's what you say that counts and, obviously,  
19 you've already made this determination. But I just want to  
20 point out that there seems to be differences along the way.

21 The other thing, and I think that was already  
22 litigated before Your Honor.

23 THE COURT: Well, let's deal with loss first, okay,  
24 and then we'll go to the next.

25 Does this relate to loss?

## Proceedings

8

1 MR. ROSEN: It does, Judge.

2 THE COURT: Okay.

3 MR. ROSEN: And I think that you also determined  
4 during Dr. Drivas's sentence, I again would like to put forth  
5 the application note 3(e) of guideline 2(b)(1), 1(b)(1)(k)  
6 which once you get through some of the verbiage recognizes a  
7 loss offset by the fair market value of services that are  
8 rendered to the victim, and the victim here, I can see, is  
9 Medicare, and what I propose is that the Government has never,  
10 to my knowledge and I wasn't part of the trial, obviously, but  
11 I have never seen where the Government maintains and can prove  
12 that everything that happened in five years at these clinics  
13 was a phantom, was a fiction. Because if services were is  
14 rendered, and I know Your Honor has heard this before and has  
15 ruled, but I think it's my obligation to reinvent it, if I  
16 can, that if services were rendered to eligible beneficiaries  
17 and those services were needed, then I think the guideline --  
18 again, 2(b)(1), 1(b)(1)(k), application note 3(e), recognizes  
19 that there recognize that is there should be an offset.

20 And I submit from what I know, and I'm not the last  
21 word on this, again, you are, that there were services  
22 rendered that were needed to people who were eligible. So, I  
23 can't accept based on what I've been immersed in this thing  
24 for all these, I guess, months, years now, that everything  
25 that happened at these three locations didn't happen. So,



## Proceedings

9

1 again, I voice my objection based on that.

2           There is a case called United States versus Byors,  
3 B-Y-O-R-S, at 386 F.3d 222 Second Circuit 2009, that seems to  
4 agree with that proposition that there should be an offset.  
5 And unless the Government will again represent, which I don't  
6 know if they ever have, but represent that there was never  
7 anything valid and legitimate in terms of affording medical  
8 care at those clinics, then there should be an offset.

9           I am not looking, Judge Gershon, for a hearing or a  
10 Fatico or anything like that. I am just bringing to the  
11 Court's attention some of the questions I have when I went  
12 through this Probation report. And I understand this was  
13 articulated to Your Honor and Your Honor rejected that, at  
14 least that's what I was told by counsel who appeared for  
15 Dr. Drivas at his sentencing.

16           The other objections, I think you're a hundred  
17 percent right, they don't apply to loss and two of my  
18 objections have been corrected by Ms. Donat, I believe, and  
19 that becomes moot.

20           If Your Honor wants to know the paragraphs that the  
21 Probation Department did correct, I'll supply them to you.

22           THE COURT: I think it's set forth in their letter  
23 and that's sufficient.

24           MR. ROSEN: Okay.

25           I believe, Your Honor, that is the totality of the

## Proceedings

10

1 loss objections. I have a couple of others that I wish to  
2 just articulate.

3 THE COURT: All right, go ahead.

4 MR. ROSEN: That's paragraph 20 of the Pre-Sentence  
5 Report, where Mrs. Shelikhova denies ordering doctors to open  
6 corporate bank accounts. And again, I understand that it has  
7 no bearing on the guidelines.

8 THE COURT: Well, she opened them herself; correct?

9 MR. ROSEN: Well, bank accounts for the clinics and  
10 then there were physicians that opened their own corporate  
11 accounts and the PSR says that she had ordered these doctors  
12 to do so. She has advised me that she would like that to be  
13 corrected. And again, I don't believe, as the report says,  
14 there's no bearing on the guidelines.

15 And paragraph 21, most respectfully, also having no  
16 bearing on the guidelines, Mrs. Shelikhova has advised me to  
17 advise the Court that she denies the allegation of Medicaid  
18 fraud with regard to REM transportation.

19 And I think there's one more, with the Court's  
20 permission.

21 THE COURT: Yes, go ahead.

22 MR. ROSEN: It is paragraph 31 where Mrs. Shelikhova  
23 has asked me to transmit to the Court her objection to being  
24 named a participant in an alleged fraud at a former clinic.

25 THE COURT: Well, I'm not addressing that at all.

Proceedings

11

1 MR. ROSEN: Okay. I just thought I would make a  
2 record. I don't have --

3 THE COURT: I don't have sufficient evidence with  
4 regard to that, and I don't intend to rely on that anyway.

5 MR. ROSEN: Okay.

6 Other than that, I don't have any factual objections  
7 with regard to the Pre-Sentence Report.

8 THE COURT: All right.

9 Let me hear from the Government with respect,  
10 essentially, to the loss amount and the set-off issue. I am  
11 trying to think which case where this was raised.

12 MR. ROSEN: I think it was Dr. Drivas, most  
13 respectfully. I think Mr. Adler raised it because, quite  
14 frankly, I called Mr. Adler and asked him.

15 THE COURT: Did you raise it in your papers or  
16 you're just raising it now?

17 MR. ROSEN: No, I think I did.

18 THE COURT: The set-off issue?

19 MR. ROSEN: Let me --

20 THE COURT: I'm trying to locate it in the  
21 sentencing transcript for Dr. Drivas.

22 MR. ROSEN: Well, you may be right. I think I  
23 raised it in my objections.

24 THE COURT: I see, okay.

25 Let me hear from the Government. As I say, I'd like

## Proceedings

12

1 to see, since you relied on the argument made by other  
2 counsel, I'd like to see exactly where it is. I know I  
3 rejected it, but I had something to say and I'd like to find  
4 out what that was.

5 MR. ROSEN: I understand that's what Your Honor did.

6 MS. HALL: Your Honor, just to address some of the  
7 points that defense counsel made.

8 He cites the original complaint in this case, and I  
9 don't have it in front of me, but he cited a loss amount in  
10 the complaint as 46 million.

11 By the time the Government superseded on the  
12 indictment, the figures had been refreshed from Medicare. We  
13 had obtained more updated data as to the billing and that  
14 figure placed the paid amount over \$50 million.

15 So, the complaint was early on in the case. It was  
16 superseded by further information received from Medicare as to  
17 the loss amount.

18 In regards to --

19 THE COURT: Let me just address that first.

20 The addendum to the PSR addresses the objection to  
21 the loss amount, and I am satisfied that that is completely  
22 correct and that the attempt at loss was \$77 million, the  
23 actual loss was over \$50 million, as set forth by Medicare  
24 itself, and there really hasn't been any challenge to that  
25 other than this claim that set off should apply.

Proceedings

13

1           So, you could point me, if you know, to where I  
2       dealt with this before, or just deal with it again now, that  
3       would be helpful.

4           MS. HALL: In regard to the offset, Your Honor?

5           THE COURT: Yes.

6           MS. HALL: I don't recall it being raised before by  
7       this defense counsel's papers, but --

8           THE COURT: But it was raised by another party, as  
9       he says.

10          MS. HALL: Yes.

11          THE COURT: But I am having difficulty locating it.

12          MS. HALL: That, I couldn't, I'm not, I don't know  
13       where it is.

14          THE COURT: All right.

15          MS. HALL: The Government does recognize that  
16       guidelines do make account for potential for an offset of the  
17       fair market value of legitimate services rendered.

18          THE COURT: Right.

19          MS. HALL: That is what the guidelines say.

20                However, in this case, under, since we are now in a  
21       sentencing posture, the preponderance of the evidence standard  
22       is, in effect and the Government has put forward more than  
23       sufficient evidence to meet that preponderance standard to  
24       show that the loss amount is what the Government has asserted  
25       it to be.

## Proceedings

14

1           For example, we cite in the sentencing papers for  
2 this defendant on page 11 of the Government's letter,  
3 September 6th, 2013, United States versus Aginsky case, that's  
4 165 F.3d at 15. It's Second Circuit 1998, which holds that  
5 under a preponderance of the evidence standard in effect at  
6 sentencing, the inference may be properly drawn that where  
7 beneficiaries were paid kickbacks, the Court may properly  
8 conclude that the entire amount was fraudulent.

9           And there is other authority to that effect as well.  
10 So the offset issue, while there is a provision for that in  
11 the guidelines, doesn't apply in this case.

12           In regard to the other objections that defense  
13 counsel raises, as Your Honor points out, they're not relevant  
14 to the guidelines calculation.

15           THE COURT: All right. Counsel, I have located  
16 something in the papers earlier, so let me take a very brief  
17 recess to take a look at this set-off issue again, and I will  
18 resume in a few minutes.

19           (Recess taken at 4:15 p.m.)  
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## Proceedings

15

1 (In open court.)

2 (Judge NINA GERSHON enters the courtroom.)

3 THE COURTROOM DEPUTY: All rise.

4 Thank you, please be seated.

5 (Defendant enters the courtroom.)

6 THE COURT: All right, Counsel, we're resuming on  
7 the issue of the offset.

8 As I understand it, Mr. Rosen -- you can have a seat  
9 -- your position is that you're not looking for an evidentiary  
10 hearing on an offset, you're just saying there should be an  
11 offset for legitimate services.

12 I assume that, like every other defense attorney in  
13 this case, you had a full access to all of the records, all of  
14 the patient records, the codes for each treatment, the  
15 Medicare billing records, the actual charts of the patients,  
16 that you wanted to review them, and it seems to me that the  
17 Government has amply proved both the actual loss and the  
18 intended loss, the intended loss being \$77 million.

19 In order for an offset to have any significance on  
20 the guidelines, the offset would have to be greater than  
21 \$27 million to bring the loss below \$50 million, and what I've  
22 seen in this case is massive fraud, intentional fraud.

23 The purpose of the clinics from the very beginning  
24 being not to provide patient treatment, but rather to bilk  
25 Medicare of money to do that in a wide variety of ways that

## Proceedings

16

1 have been identified in detail in the Government's papers and  
2 certainly clear from the trial in this case and are set forth  
3 in the Probation report as well, but most particularly in the  
4 Government's letters.

5 And that in the face of this, it seems to me that if  
6 the defense wants to argue that there should be some offset  
7 for some legitimate services that were ever provided by this  
8 clinic, that it would be up to the defense to show me even one  
9 legitimate service that was performed under the direction of  
10 this defendant.

11 And then in the absence of anything at all, or any  
12 reason to believe that this defendant intended to provide any  
13 legitimate service to anyone, and actually did provide  
14 legitimate services which Medicare should be responsible for,  
15 I am going to deny this application with regard --

16 MR. ROSEN: Could I --

17 THE COURT: Yes, go ahead.

18 MR. ROSEN: Could I just comment on, Your Honor --

19 THE COURT: Sure.

20 MR. ROSEN: -- as held, I understand it's been the  
21 Government's position from day one that the purpose of all  
22 these three clinics was not to treat patients, but to defraud  
23 Medicare.

24 I just wish to take exception to that respectfully,  
25 because I thought it was the Government's burden to separate



## Proceedings

17

1 if there were legitimate treatments. It would be their  
2 obligation to show that there were no, in five years, in three  
3 clinics, not one person was appropriately treated because  
4 Judge, Judge Gershon, not everybody got a kickback. Not every  
5 patient got a kickback.

6 And from my experience with another similar type  
7 case in this district, kickbacks were improper, I'm not  
8 suggesting they're proper, had a different reality than the  
9 Government has portrayed from day one, the competition in that  
10 Brighton Beach area, I mean, when I was in Brighton Beach, we  
11 didn't have -- we just had knishes, not 400 medical centers.

12 But the competition, some clinics offered vacations,  
13 dinners, food, and some clinics bartered who accounted with,  
14 well, we'll give people money to come in. Not to create  
15 illnesses and phony treatments, because they wouldn't have to  
16 buy these tons of medical equipment and all of that, if it ws  
17 all like the old boiler rooms in the stock cases, Judge  
18 Gershon, where you had a desk and a phone, and you didn't need  
19 anything.

20 So, I appreciate and respect Your Honor's holding  
21 and findings, I just wish to articulate as best I can why I  
22 think that the Government has not established that there were  
23 no legitimate treatment afforded to the patients there, and  
24 that's really what I wanted to say.

25 THE COURT: All right. Ms. Hall, do you to want to

## Proceedings

18

1 say anything with respect to that?

2 MS. HALL: Your Honor, the Government's position is  
3 that we have adequately and amply set forth a myriad of  
4 fraudulent schemes that were perpetrated at this clinic.

5 One of the main masterminds, the niece of this  
6 defendant, stated -- and that's cited in our brief -- that the  
7 entire purpose of this clinic was to defraud.

8 The exhibit to the Government's sentencing  
9 memorandum sets forth five single-spaced pages of different  
10 types of fraudulent billing schemes from the payment of  
11 kickbacks to induce the beneficiaries to attend the clinic to  
12 receive services they didn't need, to billing for things that  
13 were entirely invented out of thin air, such as the sleep  
14 study tests.

15 There was testimony at the trial from the  
16 Government's undercover witness who was billed for a number of  
17 \$1,000 sleep-study tests that he never had. We had massive  
18 falsification of medical charts by individuals with no medical  
19 qualifications. We had no-show doctors. We had individuals  
20 perpetrating as doctors.

21 And in light of the fact that the vast overwhelming  
22 majority of the patients were, in fact, paid kickbacks under  
23 the case that I previously cited in our brief, that taints the  
24 entire magnitude of the billing to Medicare as fraudulent.

25 So, the Government's position is that we have proven

## Proceedings

19

1 at trial and we have proven in this context in sentencing,  
2 which is a much lower standard of proof, i.e., a preponderance  
3 of the evidence standard, that the entire billed amount, i.e.,  
4 \$77 million was fraud.

5 THE COURT: All right. I agree with the Government  
6 and the analysis, as I said before, and again, if by some  
7 chance any patient benefitted, for example, benefitted from a  
8 massage not provided by a certified massage therapist, which  
9 was one of the standard things that happened at this clinic,  
10 it's certainly incumbent upon the Government to explore each  
11 and every such possible coincidental benefit, and it seems to  
12 me that the defendant having been fully aware all of the  
13 records had she thought there were really offsets that were  
14 legitimate and that should be applied, should have brought  
15 them to my attention at that point. We could have required  
16 the Government to address them and to prove that they weren't  
17 legitimate, but I think on this record merely having the  
18 defendant say, oh, there should be offsets is not sufficient  
19 basis for me to reject the abundant proof that I have that the  
20 entire operation was fraudulent.

21 I think that deals with the various defense  
22 objections to the guideline calculation. I should say the  
23 guideline manual that we'll be using is the 2009 manual  
24 because the later manuals would be, would involve higher  
25 guidelines for this defendant.

## Proceedings

20

1           So, my finding is that the offense level is 37, the  
2 guideline range on the single count to which the defendant  
3 pled to, which was the money laundering conspiracy, that was  
4 Count 4, would be 210 to 240 years. The 240 is the statutory  
5 maximum so that's why it becomes the top of the guideline  
6 range. Criminal History Category is one.

7           Oh, the Government is using a different number, 235  
8 to 240. I am not sure where that came from. It seemed to me  
9 that it should be 210. We're on offense level 37.

10           MS. HALL: Your Honor, the plea agreement, the  
11 Government's estimation of the guidelines calculation in the  
12 plea agreement is slightly different from the PSR.

13           THE COURT: I see.

14           MS. HALL: The plea agreement included a plus two  
15 for sophisticated laundering, whereas the PSR did not. The  
16 PSR included a plus two for obstruction, whereas the plea  
17 agreement did not.

18           And the plea agreement gave the defendant two points  
19 for acceptance as opposed to three, whereas I believe the PSR  
20 assumed three points.

21           So, the Government's calculation as set forth in the  
22 plea agreement and in our papers is --

23           THE COURT: Well, do you disagree with the  
24 Probation Department's calculation?

25           MS. HALL: No, Your Honor.

## Proceedings

21

1 THE COURT: Okay.

2 MS. HALL: The differences are minor, we don't  
3 disagree with the PSR.

4 THE COURT: All right. So then let me just  
5 reiterate my conclusion that the Probation Department's  
6 calculation is correct.

7 Now, as I understand it, the defendant in the plea  
8 agreement agreed to the restitution amount of \$50,943,386.

9 MR. ROSEN: That's correct, Judge.

10 THE COURT: Okay. Which, by the way, I think, also  
11 suggests that there is nothing wrong with the Government's  
12 loss analysis or my rejection of the set-off argument.

13 This amount reflects the amounts actually paid by  
14 Medicare to the three clinics, which this defendant was  
15 involved in running.

16 The restitution amount then will be joint and  
17 several with her co-defendants, and the schedule will be \$25  
18 per quarter while she's in custody, and ten percent of her  
19 gross income per month while she is on supervised release.

20 But let's go back then to the rest of the  
21 sentencing. I will hear from the defense attorney, from the  
22 defendant and then from Ms. Hall.

23 MR. ROSEN: Thank you, Your Honor.

24 Mrs. Shelikhova is now 51 years of age, and as  
25 Your Honor has found, she is in Criminal History Category I.

1 She entered a plea, accepted responsibility, saved the Court  
2 and Government expense and time of trial and has expressed  
3 sincere remorse and contrition.

4 The circumstances surrounding Mrs. Shelikhova's  
5 return to the United States in June of 2012 constitutes, in my  
6 experience, and I submit this to the Court, a rare, unusual  
7 and extraordinary circumstance which warrants Your Honor  
8 taking this into consideration in fashioning an appropriate  
9 sentence.

10 The gist of what I'm saying, and as I hope I will  
11 develop it as I go along, this is clearly and abundantly  
12 outside the Heartland of the drafters of the guidelines and  
13 anybody else who had anything to do with guidelines, and if I  
14 might, I'll tell you what I mean.

15 In making this request, I respectfully submit that  
16 Your Honor should consider a sentence well below the  
17 Government's requested sentence, and the  
18 Probation Department's requested sentence.

19 I begin, Judge Gershon, by acknowledging that  
20 Mrs. Shelikhova left the country instead of surrendering in  
21 July 2010, whether because of incredibly poor judgment, fear,  
22 panic or illness, or a combination of any of them, she  
23 nevertheless landed in her country of origin, the Ukraine,  
24 which, Judge Gershon, as we all know, has no extradition  
25 treaty with the United States.

## Proceedings

23

1           She had, I guess in the parlance of the street, safe  
2 haven for the rest of her life. It has now become clear,  
3 Your Honor, please, that at the Government's behest and with  
4 the Government's knowledge, her son Max, reached out to her in  
5 the Ukraine from the MDC to convince his mother to return from  
6 her safe haven in the Ukraine. And this is revealed in, I  
7 didn't submit it, but it was submitted, it's on ECF,  
8 Document 706, which is Max's sentencing letter, which is part  
9 of the ECF, pages 1 and 3.

10           It is clear, without doubt now, that the purpose of  
11 following the Government's request or behest, let me use the  
12 right word, behest, and its knowledge was to convince his  
13 mother to return from her safe haven so that he, Max, could  
14 obtain a cooperation agreement with the Government.

15           There is now clearly no dispute about that, not that  
16 there ever was, but it is clear in my presentation to this  
17 Court.

18           It has been proffered to Your Honor on more than one  
19 occasion, without dispute by the Government, that Max would  
20 need to convince and get his mother to return before he would  
21 be offered a cooperation agreement. And again, this is in two  
22 places that's on ECF that's been submitted to Your Honor and  
23 proffered to Your Honor. One is Document 555 at page 4, and  
24 the other is Document 706 that I just referred to. Clear,  
25 without dispute. You want a cooperation agreement, you

## Proceedings

24

1 convince and get your mother to leave her safe haven.

2           Okay. And Judge Gershon, I'm going use some very  
3 particular words, not my words, but I think they're very  
4 significant words. It was proffered to Your Honor in  
5 Document 555 at page 4 that it was made clear to Max --

6           THE COURT: What document is that, Counsel?

7           MR. ROSEN: It was an affirmation or affidavit in  
8 support of bail for Max Shelikhova.

9           It was proffered to Your Honor that these were the  
10 words, and in my 49 years, I've never experienced anything  
11 like this -- it was made clear to Max, in no uncertain terms,  
12 that that had to be accomplished as a condition of getting a  
13 cooperation agreement. And again, I say this most  
14 respectfully, this has never to this moment been disputed by  
15 the Government.

16           So, Judge Gershon, after advising Mrs. Shelikhova  
17 that if and when she did come back, she would immediately be  
18 arrested, remanded, further imprisoned, deportation  
19 thereafter, huge financial consequences, she came back. She  
20 nevertheless, and I represent this to the Court as an officer  
21 of the Court, that this was communicated to Mrs. Shelikhova,  
22 all these negatives about leaving safe haven, and she made a  
23 decision.

24           Nevertheless, she left her safe haven and returned  
25 to the United States in June of 2012 as I had arranged with



## Proceedings

25

1 the U.S. Attorney's Office and I think the FBI. Of course she  
2 was arrested at JFK the moment she stepped off the plane and  
3 has been incarcerated at the MCC for the 17 months since then.

4 Judge Gershon, I submit that these circumstances  
5 which I can envision should really be additionally part of  
6 3553(a) circumstances of a particular defendant are so rare,  
7 unusual and extraordinary, that again I submit, having  
8 practiced long before the guidelines came in and now since the  
9 guidelines came in, out of the Heartland of anybody's concept  
10 of what a person did to effectuate a positive for not only her  
11 son, but for the Government. And if you let me articulate  
12 that.

13 THE COURT: Yes.

14 MR. ROSEN: It was the Government's and Max's  
15 expectations bore fruit, Judge Gershon. The Government  
16 secured, according to Max's Counsel's submissions, the  
17 Government secured its primary -- quote, primary cooperating  
18 witness even to the exclusion of Elena Girenko, who was the  
19 one who initially said this whole enterprise was phony from  
20 the beginning, but just let me get to my note so I'm not  
21 misquoting.

22 She was described as the mastermind, Elena, at the  
23 highest level of the conspiracy that she founded and managed.  
24 So, the Government and you know that Ms. Girenko was not  
25 called as a witness at the previous trial, but Max was. And

## Proceedings

26

1 according to his own Counsel, submitted to Your Honor, Max was  
2 the primary cooperating witness in the case.

3 Your Honor no doubt recalls Max from his appearance  
4 on the stand in that trial of the doctor who was convicted.  
5 Clearly, I submit, to this Court, with every ounce of  
6 sincerity, that was a plus.

7 Her return was a plus for the Government. They got  
8 their witness and they couldn't use Elena for whatever reason,  
9 and got a conviction of the doctor that was heading up that  
10 clinic. A plus for the Government.

11 How about Max? How about a plus for Max?

12 He championed in his submission to Your Honor,  
13 quote, my successful effort to bring about the return of my  
14 mother, and his assistance to the Government as his most  
15 salient factor, I think those are the words, why Your Honor  
16 should sentence him to time served plus maybe a year. Most  
17 salient factor is I got my mother to come back from her safe  
18 haven.

19 I never heard of this. Even in my reading, long  
20 before I got to 225 Cadman Plaza, never. So, this is a case  
21 of first impression for me.

22 The return of Mrs. Shelikhova is clearly a plus for  
23 Max, as well as a plus for the Government, and I respectfully  
24 submit to this Court, which I have the highest respect for,  
25 this Court has been almost my blood for my career, that

## Proceedings

27

1 without Ms. Shelikhova's voluntary return from safe haven,  
2 neither the Government, nor Max would have reaped the benefits  
3 that I have described.

4 Yes, it's outside the Heartland. This overriding  
5 circumstance considered alone or in combination with the hard  
6 17 months at MCC, her possible deportation, her shattered  
7 family, her health, her mother's health issues, forfeitures  
8 and her contrition warrant Your Honor in considering these  
9 offender characteristics as part of 3553(a) and to impose an  
10 individualized sentence.

11 And I couldn't articulate for more of an  
12 individualized set of circumstances than I just described. I  
13 mean, if it's happened before, I'm not aware of it.

14 Yes, commensurate with the goals of sentencing, I am  
15 aware of the prescriptions and goals of 3553(a). For example  
16 Mrs. Shelikhova, after what she's gone through will never, in  
17 my humble opinion, violate the law again, and seeing all that  
18 has happened to her, I again submit to this Court will surely  
19 deter others from committing the offense gotten her here.

20 Respect for the law, which is also a very important  
21 part of 3553(a). I have an abiding belief that respect for  
22 the law goes both ways, Judge Gershon. I mean, where the law  
23 allows a judge, Federal judge, to consider certain  
24 circumstances, that's the law. And here I respectfully submit  
25 that Your Honor should consider this extraordinary

## Proceedings

28

1 circumstances of her return as reflecting an individualized  
2 sentence here because one, the facts warrant it and two, an  
3 individualized sentence taking into consideration these  
4 specific characteristics are the law.

5 I mean, for example, Gall and Pepper, which I cite  
6 in my papers, are among the most recent Supreme Court cases  
7 that say we should focus on individual circumstances, and I  
8 think Pepper even said, Justice Sotomayor said, sometimes in  
9 sentencing the characteristics of the offender are just as  
10 important as the offense.

11 And again, I cannot and I've tried very hard, and I  
12 really have exhausted my available resources to find another  
13 case that's ever come down like this. And I think it should  
14 be part of the consideration for this 51-year old woman, who  
15 in addition to coming back, walked right into prison.

16 I didn't even make, as Your Honor is I'm sure aware,  
17 a bail application, because it was fruitless. A waste of  
18 time.

19 So, I'm asking this Court in consideration of these  
20 circumstances to impose a sentence which allows  
21 Mrs. Shelikhova, and I understand this deportation issue is  
22 something that is not within my immediate purview, or perhaps  
23 even Your Honor's, a chance at life outside of prison. She  
24 has, you know, done a substantial crime. I have not picked  
25 apart and I don't intend to now, well, she never paid anybody

## Proceedings

29

1 directly.

2 I understand foreseeability. I understand what  
3 conspiracy is, and I understand to be a part of it and you  
4 have more than just a clerical role, you're on the hook, and  
5 that's the law as well. But I submit to this Court the  
6 unusual circumstance that hopefully Your Honor will, has the  
7 Government benefitted from her return, and Max hopefully will?  
8 Hopefully, Mrs. Shelikhova will as well.

9 Thank you for the time you've given me.

10 THE COURT: All right, thank you.

11 Ms. Shelikhova, is there anything that you would  
12 like to say to me directly?

13 THE DEFENDANT: (In English) Yes.

14 MR. ROSEN: Judge, Mrs. Shelikhova has asked if she  
15 could read this in English. It's been a couple of  
16 retranslations, but she would prefer to address you without  
17 the middle person of an interpreter.

18 THE COURT: That's up to her.

19 MR. ROSEN: Okay.

20 THE DEFENDANT: Your Honor.

21 THE COURT: Is this what you wrote, though? These  
22 are yours words?

23 THE DEFENDANT: It's my translation. I wrote  
24 Russian and for me translate for English, because for me  
25 difficult speak English little bit I want read, okay.

Proceedings

30

1 THE COURT: All right.

2 THE DEFENDANT: Your Honor, I would like to start  
3 off by saying thank you.

4 THE COURT: Would you please put microphone in front  
5 of the defendant?

6 MR. ROSEN: Yes.

7 THE DEFENDANT: Your Honor, I will like to start by  
8 saying thank you for giving me the chance to speak before your  
9 court. I am very sorry for my English, but I want to tell you  
10 myself what I am thinking about that worries me. Maybe my  
11 words will found on, but I want to tell you from the bottom of  
12 my heart that I am so sorry.

13 I understand and accept my guilt, and I am very  
14 sorry that my actions led me to breaking the law. And now I  
15 am awaiting my sentence, the decision, which will affect this  
16 rest of my life. I am addressing you, Your Honor, and your  
17 entire justice system.

18 I am hard-working woman and all my life I have  
19 worked very hard. Even now being in jail I work all the time  
20 because I can't just sit there without doing anything. I am  
21 asking you to believe that I am never had it in mind to make  
22 as much money as I could by any means possible.

23 I always wanted and made sure that my labor was  
24 useful, and that what I did was right, beneficial, and had the  
25 ability to grow. And I regret that I did so many wrong things

## Proceedings

31

1 and made so many mistakes with which eventually brought me to  
2 committing so many violations.

3 I hate myself for letting it all happen. All my  
4 sincere, good and poor dreams have not been realized in the  
5 honest and correct way, the way I envisioned them.

6 I have been already punished, and I am asking you to  
7 accept my remorse and apologies. I am asking you for double  
8 forgiveness as mother for her son, because I permitted him to  
9 do something which resulted in him breaking the law.

10 The most horrible punishment for me is the  
11 separation from my loved ones. I have a very old and ill  
12 mother with whom I have lived all my life. She is waiting for  
13 me every single day and she needs me and my help already. My  
14 heart is broken.

15 I am so guilty in this horrible separation. I pray  
16 to God every single day to give me a chance to reach my mother  
17 in this life and to help. I pray for my son because without  
18 them, my life has no meaning.

19 I am asking you very much to believe me, to believe  
20 in my sincere regret, and I give me a chance to return to a  
21 normal life. And by doing good deeds and doing my work, I can  
22 correct my mistakes and only by doing it, I can prove that I  
23 can be an honest person and bring good to my family, as well  
24 as to the society where I live.

25 I love people very much and I believe that the

## Proceedings

32

1 difficulty I am going through will not change my feelings  
2 toward them, and I will not change how I relate to them.  
3 After raising that had happened, what I am feeling now, I am  
4 strongly convinced that nothing and nobody could force me to  
5 be again something that wrong lead me to break a law and put  
6 me behind bars.

7 I love America very much, a country where I live for  
8 many years. A country which help me and my family, and now, I  
9 am feeling tremendous guilt, because it's that of being  
10 grateful I had broken the law. That is why once and again, I  
11 am asking you to believe me and give me a chance.

12 Thank you for listening to me and giving me the  
13 opportunity to tell you all this.

14 Thank you, very much.

15 THE COURT: Thank you.

16 Ms. Hall.

17 MS. HALL: Thank you, Your Honor.

18 Your Honor, the Government respectfully urges the  
19 Court to impose a sentence within United States Sentencing  
20 Guidelines for a variety of reasons, but primarily because a  
21 below guidelines sentence would be insufficient to satisfy the  
22 factors set forth in 18 U.S.C. 3553(a).

23 As Your Honor is well aware, throughout the course  
24 of the trial and all of the submissions of Counsel, this  
25 defendant, Irina Shelikhova, was the principal mastermind of



## Proceedings

33

1 the Bay Medical healthcare fraud, which was a massive \$77  
2 million dollar Medicare fraud, which was one of the biggest  
3 healthcare fraud schemes ever perpetrated and ever prosecuted  
4 in this district.

5 As detailed extensively at the trial, the  
6 defendant's scheme involved multiple facets: The recruitment  
7 of patients who are paid cash kickbacks, the use of extensive  
8 network of money launderers providing the cash needed to pay  
9 the patients, the billing of Medicare for millions of dollars  
10 in medical services that were medically unnecessary or not  
11 provided at all, the use of unlicensed employees to treat  
12 patients, and the massive falsification of medical documents  
13 and charts.

14 Even though the defendant was the mastermind and the  
15 primary profiteer of this fraud, she regularly hid behind  
16 others, including her own family members. She recruited many  
17 people into this scheme. She recruited her estranged husband,  
18 Sergey Shelikhov, her then-boyfriend, Sergey Zhamaryan and her  
19 son, who was then in his early 20s, Maksim Shelikhov. She  
20 recruited these individuals and many, many more.

21 And this defendant was able to conceal her  
22 leadership role in the scheme by having her family members put  
23 their names on Medicare paperwork and New York State corporate  
24 paperwork, and also to run the money laundering operation so  
25 she would not have to do so.

## Proceedings

34

1           It's clear throughout all of this, all of the  
2 Government's evidence, that the defendant's number one  
3 motivation for this crime was pure and unvarnished greed. It  
4 was Irina Shelikhova who ultimately controlled the more than  
5 \$50 million the clinic was paid by Medicare.

6           It was Irina Shelikhova who was a signatory on four  
7 bank accounts that received approximately \$34.9 million from  
8 Medicare. And once this defendant had the money, she lavished  
9 this money, the taxpayer's money on herself, on her son, on  
10 her niece, on her boyfriend and other individuals in her inner  
11 circle.

12           The extreme pervision of this case is that the  
13 taxpayer's money was used to buy real estate, luxury vehicles,  
14 including a Bentley, an Astin Martin, a Range Rover, BMW and  
15 Mercedes, many luxury watches, jewelry and clothing, multiple  
16 extravagant trips to an exclusive resort in Miami, numerous  
17 plastic surgeries for this defendant paid for by Medicare, of  
18 course, million of dollars in credit card bills, lavish  
19 parties and restaurant bills.

20           And Your Honor, ironically and sadly, the  
21 defendant's clinic was booming during the recession of 2008  
22 and 2009, while millions of Americans and millions of  
23 New Yorkers were losing their jobs, losing their houses,  
24 losing their financial stability, Irina Shelikhova and her  
25 cohorts at Bay Medical were raking in millions and millions of

## Proceedings

35

1 dollars in ill-gotten gains at the expense of the Federal  
2 taxpayers.

3 And only a fraction of the \$50 million stolen by  
4 this defendant's scheme has been recovered by the Government.  
5 In fact, there are millions of dollars in unrecovered fraud  
6 proceeds and this defendant has done nothing to help the  
7 Government find such money. This defendant has paid nothing  
8 back.

9 Now, in her counsel's sentencing submissions, he  
10 repeatedly mentions that this defendant's finances have been  
11 quote unquote, taken away. But that misses the point  
12 entirely.

13 The money was never this defendant's money in the  
14 first place. It belonged to the United States Government and  
15 ultimately the Federal taxpayers. As soon as this defendant  
16 was indicted, she fled the United States for the Ukraine, a  
17 country that has no extradition treaty with the United States.

18 She remained a fugitive for almost two years outside  
19 the jurisdiction of the United States, and Your Honor, if the  
20 unrecovered fraud proceeds are in Ukraine, they are outside  
21 the reach of the U.S. Government to this day.

22 It was not until her son was arrested and detained  
23 and the defendant voluntarily returned to the United States.  
24 She did so undoubtedly to benefit her son, but she also had  
25 her own reasons for returning to the United States, which are

## Proceedings

36

1 somewhat in conflict with counsel's statement at oral argument  
2 now.

3 The defendant's own letter to Your Honor attached to  
4 the September 5th, 2013 sentencing submission, page 1 at the  
5 very bottom, the defendant writes to the Court, I left for  
6 Ukraine hoping to improve my health and definitely come back,  
7 but not everything happened the way I thought.

8 In Ukraine, I encountered many complications and  
9 could not return as fast as I wanted, but during this whole  
10 period of time I tormented myself and suffered, understanding  
11 that that I cannot and do not want to live like that.

12 So, Your Honor, the defendant clearly had her own  
13 motivations for returning to the United States that had  
14 nothing to do with benefitting her son and certainly had  
15 nothing to do with benefitting the United States Government.

16 Taking a step back, there was a real harm inflicted  
17 upon Medicare by the defendant's actions. As noted, this is  
18 one of the biggest Medicare fraud schemes in this district  
19 ever. There were myriad of lies told by the defendant to  
20 Medicare, and each one of those was a perversion of the trust  
21 that the Medicare system places in clinics that were run by  
22 individuals such as this defendant.

23 Every patient who got paid in this defendant's  
24 clinic with Medicare's money contributed to eroding confidence  
25 in programs such as Medicare, and every false claim that

## Proceedings

37

1 Medicare paid for the supposed Medicare rendered in this  
2 defendant's clinic by phony doctors and unlicensed lay-people,  
3 was a diversion of Medicare's money from legitimate  
4 beneficiaries who need real medical care, sometimes  
5 disparately.

6 Medicare fraud is, unfortunately, rampant in this  
7 jurisdiction. It needs to be addressed here and deterred  
8 here.

9 Sentences handed down in this case can and will  
10 reach the community with an effective message of deterrence.  
11 However, there will be no deterrence without the real  
12 consequences of significant sentences.

13 Your Honor, very respectfully, the sentence you hand  
14 down today needs to be enough to prevent an Irina Shelikhova  
15 in the community right now from even contemplating committing  
16 the crime of Medicare fraud. Currently the message to  
17 would-be defendants in the community is that Medicare fraud  
18 allows you to earn a comfortable and safe living at the  
19 expense of the American taxpayer.

20 In this district, unfortunately, there are a lot of  
21 individuals who are willing to do that every day.

22 The lure of a large payday such as the \$77 million  
23 billed, \$50 million paid in this case, coupled with  
24 historically light sentences in this district has  
25 unfortunately and sadly led to undeterred and rampant Medicare

## Proceedings

38

1 fraud.

2 And finally, Your Honor, the sentence in this case  
3 should take into account all of the characteristics of this  
4 defendant. Her conduct in this case has shown her character.  
5 Her conduct has shown that she willingly and knowingly put  
6 elderly patients at risk by running a medical clinic that saw  
7 500 patients a day at its height, who were treated by  
8 completely unlicensed individuals, who rendered supposed  
9 medical care to them.

10 This defendant's conduct showed that she did nothing  
11 to ensure that there was proper care for those patients. Her  
12 conduct shows that she didn't hesitate to recruit family  
13 members in the fraud, including her own son.

14 Her conduct shows that she didn't hesitate to put  
15 millions of dollars, 50 million dollars in Medicare money into  
16 her own pocket, and her conduct shows that when confronted  
17 with Federal charges and an arrest warrant, she made the  
18 conscious and deliberate decision to flee the United States  
19 and become a fugitive for two years in a safe haven.

20 Since she's returned to the United States, she's  
21 shown limited remorse and she wrote in her letter to the Court  
22 submitted with her counsel's letter of September 5th, 2013,  
23 she writes, quote, in the course of business, in the course of  
24 the business due to insufficient knowledge, many mistakes and  
25 violations were made which led to breaking the law.

## Proceedings

39

1 But what this defendant did is no mistake. It was  
2 intentional. It was calculated. It was planned over the  
3 course of more than five years.

4 The Court's sentence should ensure that not only  
5 that this defendant never returns to a lifestyle of crime, but  
6 also that those in the community, the Irene Shelikhovas out in  
7 Brooklyn right now who are tempted to steal from Medicare, are  
8 also adequately deterred from the temptation of engaging in  
9 this unfortunately lucrative crime.

10 For all of those reasons, Your Honor, the Government  
11 very respectfully requests for a sentence within the guideline  
12 range.

13 Thank you.

14 THE COURT: Thank you.

15 Ms. Donat, is there anything else you want to add?

16 USPO DONAT: No, Your Honor. We rely on our  
17 sentencing recommendation.

18 THE COURT: Okay. Any else then from counsel?

19 MR. ROSEN: No, Your Honor.

20 THE COURT: I have studied all of the papers that  
21 were submitted to me and considered the guidelines and the  
22 3553 factors.

23 This defendant was a, as the Government calls her, a  
24 mastermind and the principal profiteer from this massive  
25 fraud. Although she often hid her conduct behind others, she

## Proceedings

40

1 was on the bank accounts, she got the money, she used it for  
2 herself, her son and others who she cared to lavish her  
3 profits on with an enormous undertaking that lasted over five  
4 years.

5           It was a massive fraud of the Medicare system and in  
6 addition to -- well, Medicare is the technical victim. I am  
7 aware from all of the evidence that I have seen that the  
8 misuse of the old people who were patients at this clinic for  
9 her own personal financial gain was just extraordinary and  
10 painful to observe.

11           The defendant was at the clinic virtually every day,  
12 as I understand it. She writes in her letter to me how sorry  
13 she is, but also says things like I was very attentive and  
14 kind to people who attended the clinic. I put my heart into  
15 everything I did. I desired that everything was performed at  
16 the highest standards, but at my huge regret in the course of  
17 business, due to insufficient knowledge, many mistakes and  
18 violations were made which led to breaking the law.

19           I don't know entirely how one parses of that letter,  
20 but what's clear to me from the actual evidence is that this  
21 defendant, who was present, who directed a massive chart  
22 falsification operation, who directed others and trained  
23 others in how to commit healthcare fraud, who directed her son  
24 in getting the money laundering conspiracy, which was  
25 necessary to get cash in order to pay cash kickbacks to



1 patients, what's clear to me is that this defendant was fully  
2 knowledgeable about what was going on at the clinic. She knew  
3 she had doctors who were not performing as doctors should.

4 She had non-doctors, Mr. Khandrius, performing as a  
5 doctor, injecting people with things, which were not medicines  
6 but water, and getting money from Medicare to do it, using  
7 therapists who were not licensed, all of this under her  
8 immediate supervision, and all of this shows me that this  
9 defendant, despite her attempts to minimize her culpability,  
10 was indeed not concerned with other people and certainly not  
11 concerned with the patients who came to the clinic.

12 In response to all of that, the defense's principle  
13 argument is that I should consider the admittedly unique  
14 circumstances of her return. I agree, those circumstances  
15 were unique in my knowledge relating to her son seeking to get  
16 her back so that he could get cooperation agreement with the  
17 Government, but it has to be remembered that she came back  
18 after she voluntarily fled this country and now she wants  
19 credit for coming back. She should have never left in the  
20 first place.

21 Certainly, those unique circumstances don't warrant  
22 the extreme variance from the guidelines that the defense here  
23 is requesting.

24 So, and with respect to the crime itself, there are  
25 simply no mitigating circumstances, financial, emotional or

## Proceedings

42

1 otherwise, that in any way affect the submission of this  
2 massive crime. Nothing to excuse it or even explain it in any  
3 way other than pure greed.

4 So, under all of the circumstances that I have  
5 outlined and that are set forth in the papers, I am going to  
6 adopt the recommended sentence of the Probation Department,  
7 which I think is fair and just, and it is 15 years in custody  
8 and there will be no fine imposed in light of the priority of  
9 restitution.

10 I have already described the restitution, which will  
11 be joint and several with the co-defendants. Three years of  
12 supervised release with special conditions that the defendant  
13 comply with the restitution and forfeiture orders and  
14 schedules, that she provide full financial disclosure to the  
15 Government and finally, if she's deported, there be no illegal  
16 re-entry into this country.

17 I am also imposing an exclusion from Federal  
18 healthcare programs and finally, there's a mandatory \$100  
19 special assessment that I impose.

20 With respect to other issues, I believe there are  
21 open counts?

22 MS. HALL: Yes, Your Honor.

23 The Government moves to dismiss the remaining counts  
24 of the superseding indictment, with prejudice.

25 THE COURT: The application is granted.

## Proceedings

43

1           The defendant is advised of right to an appeal, and  
2 I would just ask if there's any designation request.

3           MR. ROSEN: Yes, Judge. We ask, if Your Honor would  
4 consider either requesting Alderson in Virginia.

5           THE COURT: I don't typically recommend a particular  
6 place, if there's a location for some reason --

7           MR. ROSEN: Well, Coleman in Florida, there's a camp  
8 there.

9           THE COURT: Well, I'm not picking the place.

10          MR. ROSEN: Well, a designation would be --

11          THE COURT: Why does she want to go to Florida?

12          MR. ROSEN: Because she has family there.

13          THE COURT: She has family in Florida. What family  
14 are in Florida?

15          MR. ROSEN: A sister.

16          THE COURT: Florida, okay.

17          So, you would like a recommendation to a prison in  
18 Florida, all right. Her other family is here in New York, I  
19 thought.

20          MR. ROSEN: Well, there's a mother here in New York,  
21 but she's not able to visit because of her incapacity, but she  
22 does have family in Florida.

23          THE COURT: All right.

24          MR. ROSEN: I would also ask, since I raised the  
25 issue of her mother, that there's an issue that is developing,

## Proceedings

44

1 which is difficult but that's the mother resides in a building  
2 that is subject to forfeiture and we understand that. We  
3 understood that when we signed the agreement.

4           However, if there was some way that either the Court  
5 or with the Court's concurrence, I can work something out  
6 where the mother can remain in that apartment, that would be a  
7 positive thing for the woman. Not so much for  
8 Mrs. Shelikhova, but for her mother who is 84, 85, and  
9 confined to a wheelchair. Hopefully, the Court can assist.

10           THE COURT: Well, I don't know what I can do.  
11 You've agreed to an order of forfeiture, as to that building.

12           MR. ROSEN: Yes.

13           THE COURT: And now you're coming to me so say I  
14 should do something about the apartment?

15           MR. ROSEN: I'm not asking you to --

16           THE COURT: Look, talk to the Government. I don't  
17 know whether they're seeking to sell the building or it's  
18 going to be -- I don't know what the status of the building  
19 is.

20           MR. ROSEN: I'm just raising it as a potential for  
21 either negotiation or the Court's involvement. If the Court  
22 can't get involved, I understand that.

23           THE COURT: Well, I mean, you raise -- Mr. Gullotta.

24           MR. GULLOTTA: Yes, Your Honor. I believe that is  
25 one of the few properties that actually has value, so the

Proceedings

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1 Government intends to pursue its forfeiture.

2 In other cases, I know there are sometimes  
3 circumstances where a tenant will pay rent to the Government  
4 while it owns the property. It's something that could perhaps  
5 entertain prior to an ultimate sale of the property. In the  
6 meantime, I'm not sure that else can be worked out.

7 MR. ROSEN: I'll pursue it.

8 THE COURT: All right.

9 Anything else?

10 MR. ROSEN: No, Your Honor.

11 THE COURT: Is there any property that the  
12 Government is holding of the defendant, other than the  
13 forfeited property? I mean, personal property of any kind  
14 that needs to be resolved?

15 MR. ROSEN: I don't think so, no.

16 THE COURT: All right.

17 All right then, that concludes the proceeding.

18 Thank you.

19 ALL: Thank you, Your Honor.

20 (Defendant remanded.)

21 (Matter concluded.)

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VB OCR CRR